

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: April 10, 2007 **Bill Number:** H.B. 3783

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Committee Requesting Impact: House Ways & Means Committee

Bill Summary

A bill to amend Section 12-33-210, as amended, of the Code of Laws of South Carolina, 1976, relating to biennial license taxes granted pursuant to the Alcoholic Beverage Control Act, so as to reduce the biennial fee for the manufacturer's license from fifty thousand dollars to one thousand dollars.

REVENUE IMPACT ^{1/}

This bill is expected to reduce General Fund alcohol license tax revenue by an estimated \$196,000 in FY2007-08.

Explanation

This bill would amend Section 12-33-210(A) to reduce the biennial license tax for an alcohol manufacturer's license from the current \$50,000 for a 2-year license to \$1,000 for a 2-year license. Based on definitions in The Alcoholic Beverage Control (ABC) Act in Title 61, "alcoholic liquors" means "any spirituous malt, vinous, fermented, brewed, or other liquors or a compound or mixture ... which contains alcohol and is used as a beverage". Also defined in the ABC Act, a "manufacturer" is a "person operating a plant or place of business in this State for distilling, rectifying, brewing, fermenting, blending, or bottling alcoholic liquors". These definitions include manufacturers or producers of alcoholic liquors, beer, and wine products. According to the Department of Revenue, there have been no liquor manufacturer's licenses issued by the Department of Revenue, and there were four beer/wine producer's licenses issued in FY2004-05. Multiplying four manufacturer's licenses by \$50,000 results in \$200,000 in General Fund alcohol license tax revenue. Reducing the manufacturer's license tax from \$50,000 to \$1,000 would result in a reduction of \$196,000 in General Fund alcohol license tax revenue in FY2007-08.

/s/ WILLIAM C. GILLESPIE, PH.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.